



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

October 2, 2000

**MEMORANDUM FOR AGENCY SENIOR PROCUREMENT EXECUTIVES
AND THE DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)**

FROM:

Kenneth J. Oscar *Kenneth J. Oscar*
Deputy Administrator (Acting)
Office of Federal Procurement Policy

Kerry L. Kirkland *Kerry L. Kirkland*
Acting Associate Deputy Administrator
for Government Contracting and Minority Enterprise Development
Small Business Administration

SUBJECT: 8(a) Credit for Multiple Award Schedule (MAS) Orders

Attached for your information is a Memorandum of Understanding (MOU), signed June 7, 2000, between the Small Business Administration (SBA) and the General Services Administration (GSA) designed to encourage the participation of 8(a) firms in the Multiple Award Schedules (MAS) program. In the MOU between the SBA and GSA, GSA "offered" the entire MAS program to SBA for the 8(a) program, and the SBA "accepted" the entire MAS program as a competitive procurement opportunity. The MOU does not create a set-aside for 8(a) firms.

Agencies ordering from designated 8(a) firms under the MAS may count those orders toward their 8(a) procurement goals. Specifically, the MOU:

- Delegates the GSA Administrator, with the authority to re-delegate, SBA's authority (under the Small Business Act) to enter into prime contracts with 8(a) firms under the MAS Program;
- Allows agencies ordering from 8(a) firms under the MAS Program to count those orders toward their small business procurement goals as awards made pursuant to the provisions of section 8(a) of the Small Business Act;
- Allows GSA to apply its MAS contracting policies, procedures, and regulations to 8(a) firms participating in the MAS Program when evaluating offers, awarding contracts, and administering orders.

For new MAS awards issued after June 7, 2000, designated 8(a) firms may elect to submit offers as an 8(a) program participant and be listed accordingly in the Schedules E-Library and GSA Advantage!. Should the 8(a) firm elect to have the award made as an 8(a) contract award, all orders against the contract may be counted toward an agency's 8(a) procurement goal. However, should the 8(a) firm elect to have its contract awarded under the unrestricted competitive procurement process, the agency would not count the orders awarded against the contract as 8(a) awards. Instead, those orders would be counted as an award to a "small disadvantaged business."

For existing MAS awards, designated 8(a) firms currently holding MAS contracts have the opportunity to have those existing contracts modified to allow 8(a) firms to elect to be designated as 8(a) contractors on the Schedules-E Library and GSA Advantage!.

Evaluation of offers from 8(a) concerns should be evaluated on the same basis with offers from non-8(a) firms. Once GSA has executed the MAS contract with an 8(a) firm, the ordering agency is not required to submit task orders to SBA for acceptance and approval.

8(a) Credit for MAS Orders

For an ordering agency to take credit for an 8(a) MAS order, the MAS contract must be identified as an 8(a) contract on GSA's Schedules E-Library on the date of execution of the order. An ordering agency cannot receive 8(a) goaling credit if the specific contract on the Schedules E-Library has no 8(a) designation, even though the firm is an 8(a) firm. An agency can only count the order in the manner in which it is listed in the Schedules E-Library. GSA's E-Library system is expected to be able to identify contracts as 8(a) not later than October 1, 2000.

Should an 8(a) firm elect to submit an offer under the MAS as an 8(a) program participant, it will be listed in the E-Library as "8(a)," not "small disadvantaged business." Moreover, if the 8(a) firm elects to submit an offer under the MAS program as a small disadvantaged business, it will be designated "small disadvantaged business." If the MAS contract is identified as being associated with the 8(a) program, all orders against that contract will be coded and reported to Federal Procurement Data System (FPDS) as an 8(a) program award. The ordering agency will identify those contracts that are designated as 8(a) contracts by looking at the firm's contract information at <http://www.fss.gsa.gov/schedules/>.

GSA Reporting Requirements

Contracts awarded to 8(a) firms under the MAS will be loaded into GSA's internal reporting system (FYS-19 System) by designating the Competitive Solicitation Procedures (CSP) as "Multiple Award Schedule," Business Size selection as "Small Disadvantaged Business" and the Small Disadvantaged Business program selection as "8(a) Contract Award."

If an 8(a) firm currently has a multiple award schedule contract loaded in the system, the contract can be modified and the contract coding updated to indicate it is an 8(a) contract award. In this case, the CSP should already read "Multiple Award Schedule" and the Business Size should already read "Small Disadvantaged Business." Therefore, only the Small Disadvantaged Business Program field must be updated to "8(a) Contract Award."

Federal Procurement Data System (FPDS) Reporting

The ordering agency will report the 8(a) order to the FPDS using either the Individual Contract Action Report (SF-279) or the Summary Contract Action report (SF-281). The reporting blocks should be completed as usual, as there will be no required changes to the FPDS. The reporting requirements are as follows:

Individual Contract Action Report (SF-279)

- Block 9 – Kind of Contract Action: use code "G"- order/modification under Federal Schedule Contract.
- Block 26 – Solicitation Procedures: Do not use code "K"- set-aside; use code "F"- multiple award schedule.
- Block 30 – Type of Contractor: Use code "A"- small disadvantaged business.
- Block 33B – Small Disadvantaged Business Programs: Use code "A"- 8(a) contract award.

Summary Contract Action Report (SF-281)

Line 4- (Orders placed on GSA schedules only). Use this line to report actions and dollars to business categories, and total dollars.

Line 15- 8(a) contract awards. Report the actions and dollars.

Line 17- Small Disadvantaged Business. Report the action and dollars.

The MOU entered into by SBA and GSA is designed to encourage greater participation of 8(a) firms in the MAS program. As an added benefit, participating agencies will be allowed to count awards to 8(a) firms toward meeting their 8(a) procurement goal. Should you have any questions regarding a firm's 8(a) program eligibility or eligibility to receive an 8(a) contract, please find guidance at the SBA's PRO-Net web site at <http://pro-net.sba.gov>. For further assistance contact James Parker, Procurement Analyst, U.S. Small Business Administration, at (202) 205-3644.

Attachment

cc: Directors, Office of Small and Disadvantaged Business Utilization

**MEMORANDUM OF
UNDERSTANDING**
between the
U.S. SMALL BUSINESS ADMINISTRATION
and the
GENERAL SERVICES ADMINISTRATION
Regarding the
MULTIPLE AWARD SCHEDULE PROGRAM



**U.S. Small Business Administration
Office of the Administrator
June 7, 2000**

MEMORANDUM OF UNDERSTANDING

between the

U.S. SMALL BUSINESS ADMINISTRATION

and the

GENERAL SERVICES ADMINISTRATION

Regarding the

MULTIPLE AWARD SCHEDULE PROGRAM

I. PURPOSE:

The purpose of this Memorandum of Understanding (MOU) between the U.S. Small Business Administration (SBA) and the General Services Administration (GSA) is to establish policy allowing for the award of contracts under GSA's Multiple Award Schedule (MAS) Program. This is in conjunction with section 8(a) of the Small Business Act, 15 U.S.C § 637, as amended. This agreement is a joint effort of the parties to facilitate the participation of 8(a) firms in the MAS Program. The MAS Program remains open to all responsible sources under 41 U.S.C. § 259. This agreement does not create a set-aside for 8(a) firms.

II. OBJECTIVES:

- A. To offer and accept the entire MAS Program under section 8(a) of the Small Business Act, 15 U.S.C. § 637(a), et seq., as amended, as a competitive opportunity.
- B. To allow 8(a) firms to elect to submit an offer under the MAS Program as an 8(a) Program Participant and to be listed accordingly in the Schedules E-Library and GSA Advantage.
- C. To allow agencies ordering from designated 8(a) firms under the MAS to count those orders toward their 8(a) procurement goals.

III. RESPONSIBILITIES:

A. The U.S. Small Business Administration hereby:

1. Delegates to the Administrator of the General Services Administration, with the authority to redelegate, its authority under section 8(a)(1)(A) of the Small Business Act to enter into prime contracts with 8(a) firms under the MAS Program;
2. Agrees to allow agencies ordering from the 8(a) Program Participants under the MAS Program to count those orders toward their small business program procurement goals as awards made pursuant to the provisions of section 8(a) of the Small Business Act.
3. Agrees that GSA will apply its MAS contracting policies, procedures, and regulations when evaluating offers, awarding contracts, and administering orders pursuant to this MOU.

B. The General Services Administration hereby:

1. Agrees to provide the opportunity for 8(a) concerns to elect to submit an offer under the MAS Program as an 8(a) Program Participant and to be listed accordingly in the Schedules E-Library and GSA Advantage.
2. Agrees to apply its MAS contracting policies and procedures when evaluating offers, awarding contracts, and administering orders pursuant to this MOU, consistent with Federal Acquisition Regulation (FAR) 19.800(f), except that GSA will:
 - Notify the SBA prior to terminating an 8(a) contract.
 - Include a limitation-on-subcontracting clause in 8(a) contracts consistent with FAR 52.219-14.
 - Request SBA approval prior to executing novation agreements of 8(a) contracts.
 - Include an 8(a) award clause consistent with FAR 52.219-17.

C. The parties shall jointly develop streamlined and uniform procedures for implementing this agreement.

D. To the extent that any provision of the MOU between the SBA and GSA dated May 6, 1998, or successor MOU, conflicts with this agreement, this agreement prevails.

IV. TERM:

This MOU shall remain in effect until April 30, 2002, unless terminated earlier by either party. Either party may terminate this agreement upon 30 days written notice to the other party.

V. MODIFICATION

This MOU may be modified upon the agreement of both parties.

VI. ACCEPTANCE:

The undersigned parties hereby accept the terms of this agreement.

APPROVED:

General Services Administration

U.S. Small Business Administration

David J. Barram 6-7-00

David J. Barram
Administrator

Date

Aida Alvarez JUN 7 2000

Aida Alvarez
Administrator

Date

Frank P. Pugliese, Jr. 6-7-00

Frank P. Pugliese, Jr.
Commissioner
Federal Supply Service

Date

James C. Ballentine 6/7/00

James C. Ballentine
Associate Deputy Administrator
for Government Contracting and
Minority Enterprise Development

Date

Jackie Robinson

Jackie A. Robinson
Associate Administrator for
Enterprise Development

Date

Delorice Price Ford

Delorice Price Ford
Associate Administrator for
Minority Enterprise Development

JUN 7 2000

Date